




grupo elektra

Grupo Elektra, S.A.B. de C.V.
BMV: ELEKTRA*; LATIBEX: XEKT




This Presentation refers to certain non-IFRS measures. These non-IFRS measures do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. These measures are provided as additional information to provide further understanding of Grupo Elektra, S.A.B de C.V.'s ("Grupo Elektra", "Elektra" or the "Company") results of operations from a management perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of Grupo Elektra's financial information reported under IFRS.

The following information contains or may be deemed to contain, "forward-looking statements" (as defined by the U.S. Private Securities Litigation Reform Act of 1995). By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The future results of the issuer may vary from the results expressed in, or implied by, the following forward-looking statements, possibly to a material degree. Grupo Elektra undertakes no obligation to update or revise any forward-looking statements.


The Company at a glance

Grupo Elektra is the **leading financial services company and specialized retailer in Latin America**, and the largest provider of short-term, non-bank loans in the US.


Contributing to improve the purchasing power of millions of families underserved by traditional banks.




+70 years
offering consumer loans




+71,000
direct employees




~60%
motorcycles market share in Mexico



21.9 million
digital banking clients



Largest bank in Mexico by employees and personal loans portfolio.



ESG Index
FTSE4Good Index Series

KANTAR BRANDZ #21 of the most valuable Mexican brands, 2023 ranking.

TIME Magazine Best companies in the world in 2023¹

PRESENCE



¹<https://time.com/collection/worlds-best-companies-2023/>

Key reasons to invest

1

Presence and leadership in **markets with long-term growth opportunities.**

2

More than 70 years of success, knowing and serving the dynamic middle class, through **market-leading brands.**

3

Always at the **forefront of technological innovation,** offering inclusion, financial and digital education to our clients.

4

Robust sustainability strategy that, among other things, will add approximately 307 thousand m² of green buildings in Mexico, equivalent to 35% of the total currently certified area.

5

Commitment to sustainability that has been ratified with greater emphasis since 2018. Grupo Elektra sets **clear objectives, measurable by specialized organizations.**

6

Solid financial performance, resilient to economic downturns and with a disciplined approach to leverage.

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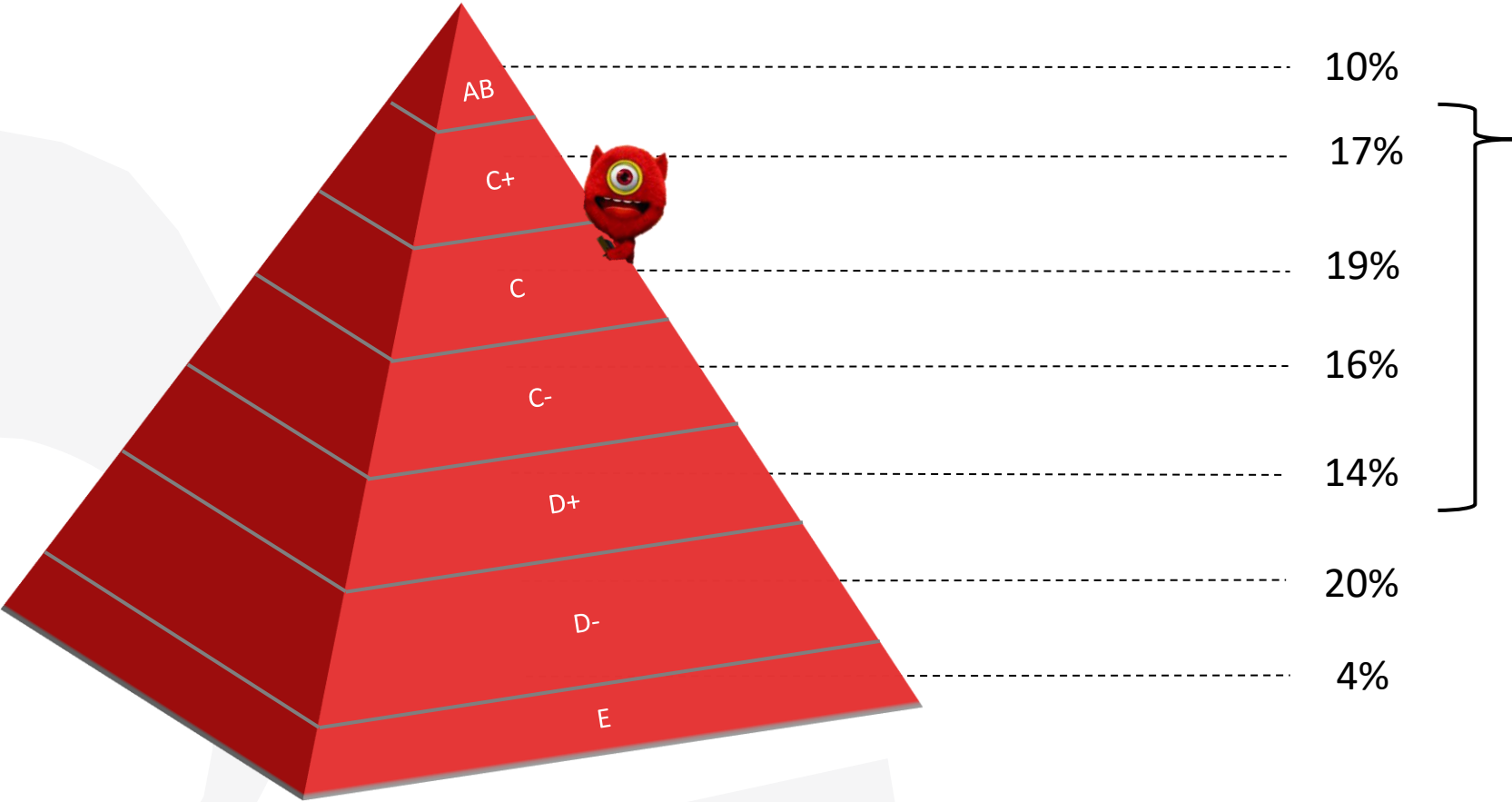
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Target market



Our target market is:

66%
of Latin American
families



In the US, the customer profile matches the average American citizen (43 years old, family income of US\$50 thousand, 79% with their own home and 96% with a high school certificate or higher).

Source: AMAI (Mexican Association of Research Agencies). Estimation of the AMAI from the data of the National Survey of Revenue and Expenses of Households 2020. Consider cities with 100,000 inhabitants or more.

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Business segments

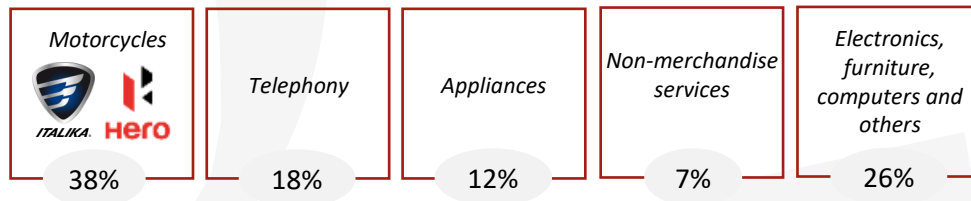


Commercial business

Revenue LTM 3Q 2023: Ps.71,525 millions
40% of Consolidated Revenue

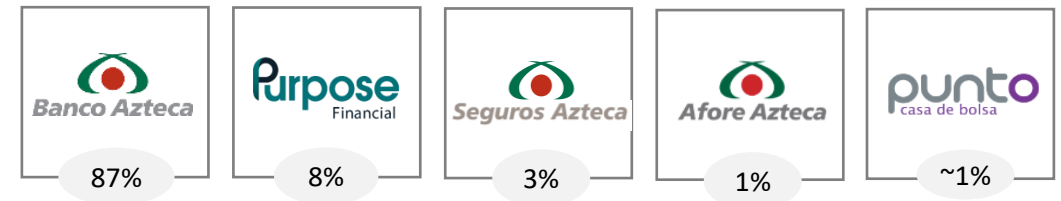


Categories



Financial business

Revenue LTM 3Q 2023: Ps.108,267 millions
60% of Consolidated Revenue



Commercial business

Elektra stores

- ❑ More than 70 years focused on the dynamic middle class.
- ❑ **1,348 contact points** as of 3Q 2023:
 - 1,226 in Mexico
 - 122 in Central America
- ❑ Average sales floor in Mexico as of 3Q 2023: 1,102 m²
- ❑ **Omnichannel sales:** in store, online (+7% of total) and through our apps (baz and elektra).
- ❑ Cash or credit payment (58%); on teller or digitally.
- ❑ Free delivery to home or branch (+60%).
- ❑ 37 new “Elektra Motos” stores for multi-brand sale: Italika, Hero, Suzuki and Bajaj.



Commercial business

Motorcycles (Italika and Hero)

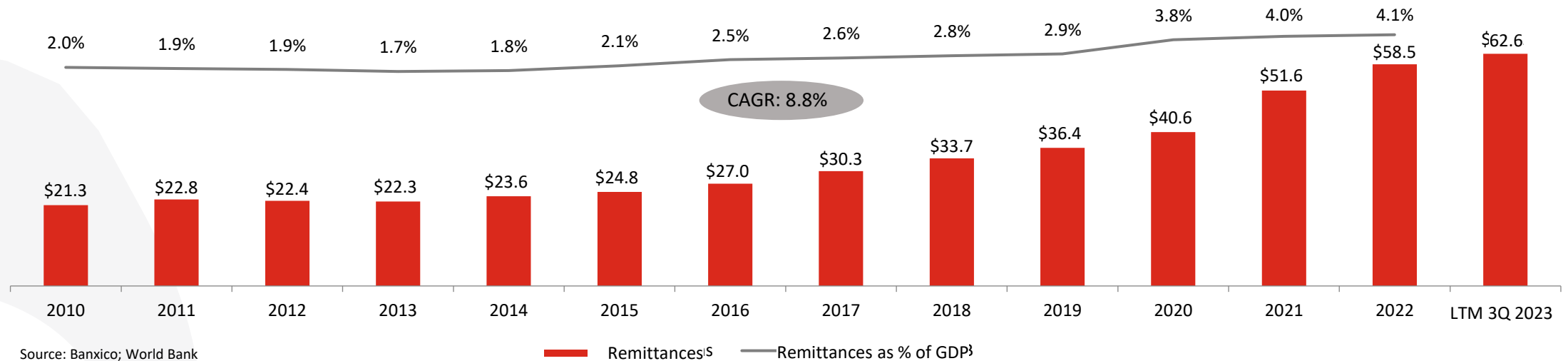


- ❑ Own motorcycle brand since 2004, with ~60% market share in Mexico.
- ❑ Presence in Mexico, Guatemala and Honduras.
- ❑ **6 assembly lines** with +569 thousand motorcycles assembled during 9M 2023.
- ❑ 70 models with engines between 110 y 300 cc.
- ❑ +8 million **motorcycles sold** since 2004; with **+722 thousand during 9M 2023**.
- ❑ In 2021, **Hero brand** was launched in Mexico and over **15.6 thousand motorcycles have been sold in 9M 2023**.
- ❑ **+1,020 authorized service centers in Mexico** and +230 in Latin America, as of 3Q 2023.
- ❑ **~3,990 sale points as of 3Q 2023** including third-party channels in Mexico, online stores (elektra.mx, tienda.Italika.mx) and apps (Italika+, baz and elektra).



International money transfers

Total Remittances in Mexico (US\$ Billion)



In Mexico, remittances remain strong despite economic cycles.



- CAGR of 8.8% between 2010 and 2022.
- Mexico GDP 9M2023 +3.5%, vs remittances +9.5%
- New historical record as of LTM 3Q 2023, \$61,603 million (+9.4% vs LTM 3Q 2022).

Commercial business

New logistics model



Before		New Logistics Model
Home delivery	There were no home deliveries for in-store purchases. They were client's expense with third-party freight forwarders, cash charges and without quality standards.	<ul style="list-style-type: none">Specialized fleetTrained driversUnboxing: we opened it together.
Omnichannel deliveries	3.5 days	Same day, next day and custom.
Weekly restock frequency at sale points	1.2 visits	4.6 visits
Delivery time to stores	4 days	24 hours



↓ Inventories
-\$4,700 Million pesos (-20%) yoy.



↓ Damaged merchandise
-50% of damaged goods and theft.



↑ Security
-70% of insurance premiums expenses

Commercial business

New logistics model



Before		New Logistics Model
Distribution centers	<ul style="list-style-type: none">10 traditional centers1 eCommerce	<p>+2 distribution centers</p> <p>+30 HUBs</p> <p>Enabled locations that receive merchandise from distribution centers.</p> <p>+100 Dark stores</p> <p>Points that protect and deliver the merchandise to the driver for the last mile/meter.</p>
Own fleet	<p>300 units</p> <p>Spot units were used, causing damage to the merchandise due to shoveling and non-specialized personnel.</p>	<p>+ de 900 active units for deliveries to customers and stores.</p> <p>Including new electric units and motorcycles</p>
Technology	-	<ul style="list-style-type: none">App EKT DriverWhatsApp bot for service evaluationEKT Entrega



↑ Own fleet
-10% in the cost due to lower use of outsourced freight.



↑ Incremental income
For the provision of logistics services to third parties.

Financial business

Banco Azteca

- ❑ Since 2002, Banco Azteca is a **pillar for financial inclusion**, offering banking services to millions of families underserved by traditional banks.
- ❑ In Mexico:
 - Is the **largest bank**, by employees and personal loans portfolio.
 - Has **39.2 million deposit accounts** as of 3Q 2023 (in a country with 35 million households).
 - The only financial institution with a presence in 200 municipalities.
 - Has **3,964 contact points** (1,381 inside Elektra and SyR), and a network of ~5,000 ATMs in agreement with other banks (2,320 its own).
- ❑ Workforce of **+12,500 employees in field** who perform collection duties. No other competitor has a comparable workforce just for this task.
- ❑ A solid deposit base with optimal funding costs, accounts without commissions, opening saving accounts with Ps. 1.



KANTAR BRANDZ
2023
#16 in the ranking of
the most valuable
Mexican brands

Financial business

Digital banking

- ❑ **21.9 million digital accounts**
- ❑ Banco Azteca app is the largest digital bank in Mexico.
- ❑ During LTM 3Q 2023, more than 5.1 billion transactions were made in the app:
 - **52% of Banco Azteca's financial transactions.**
 - 4 out of 10 credit payments
 - 5 out of 10 cash credits
 - 7 out of 10 payroll loans
 - 8 out of 10 credit cards
 - 8 out of 10 clarification requests are managed from the app.
- ❑ Our efforts in the coming months will be focused on promoting credit payments with a better user experience, in more businesses (formal and informal).
- ❑ One of the best-rated digital banking apps in Mexico.



Financial business

Other financial businesses



- ❑ Pension fund administrator since 2003.
- ❑ **Ps.247 billion under management** at the end of 3Q 2023.
- ❑ **9 million accounts**, which represents **16% of the total** accounts registered as of 3Q 2023.
- ❑ **1st place in transfers received in 2022.**
- ❑ +2,300 branches for service.
- ❑ +2,400 certified advisors.



- ❑ Began operations in 2004.
- ❑ Provides life, health and property insurance.
- ❑ Property insurance covers property, automobiles and motorcycles of individuals, businesses and governments.
- ❑ Offers microinsurance for accidents and illnesses: accidental death, breast or cervical cancer, first heart attack.
- ❑ In 2020 it launched special products for migrants, education, remittances and COVID-19.
- ❑ **Revenues of Ps.3,401 million in LTM 3Q 2023.**



- ❑ Previously known as Advance America.
- ❑ **Leader in pay-day loans in the US**, measured by number of branches.
- ❑ 873 branches in 23 states.
- ❑ **~1 million loans as of 3Q 2023 (42% digital)**: upfront, guaranteed, installments and online.



- ❑ Participation in 139 issuances in the stock market, for an amount of Ps.123 billion.

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Corporate sustainability strategy

At Grupo Elektra we seek to contribute to the development of the communities in which we have presence, respecting the environment through profitable and inclusive solutions, with the purpose of generating Inclusive Prosperity, through the creation of economic, social and environmental value.

ESG Index
FTSE4Good Index Series

Last evaluation: 3/5



FTSE4Good



Our journey towards sustainability



2018

Adherence to the United Nations Global Compact to integrate the 10 principles in the Grupo Elektra's operation, as well as alignment with the 17 Sustainable Development Goals.



2019

Banco Azteca was among the 100 **entities with the best corporate reputation** MERCO



2021

Accession to the Women's Empowerment Principles (WEPs).
Participation in the first generations of Global Compact programs:

- *Target Gender Equality* of the Global Compact
- Climate Ambition Accelerator
- Business Accelerator on Human Rights



2023

Official accession of Banco Azteca to the TCFD guidelines. Analysis of the environmental impact of the portfolio (TCFD; 2nd phase). We were included in the **FTSE4Good Index Series**.



2020

Grupo Elektra companies obtain the **CEMEFI 2020 Social Inclusion Badge**. The sustainability report is aligned for the first time with **the Sustainability Accounting Standards Board (SASB)** standards.



2022

Part of the FTSE Emerging ESG Index y FTSE4GOOD Latin America Index. For the second year we are part of the sustainable index of the Mexican Stock Exchange, S&P / BMV Total México ESG Index.

Environmental

We adopt **responsible management practices** to reduce consumption, investing +Ps.317 million in environmental management processes.

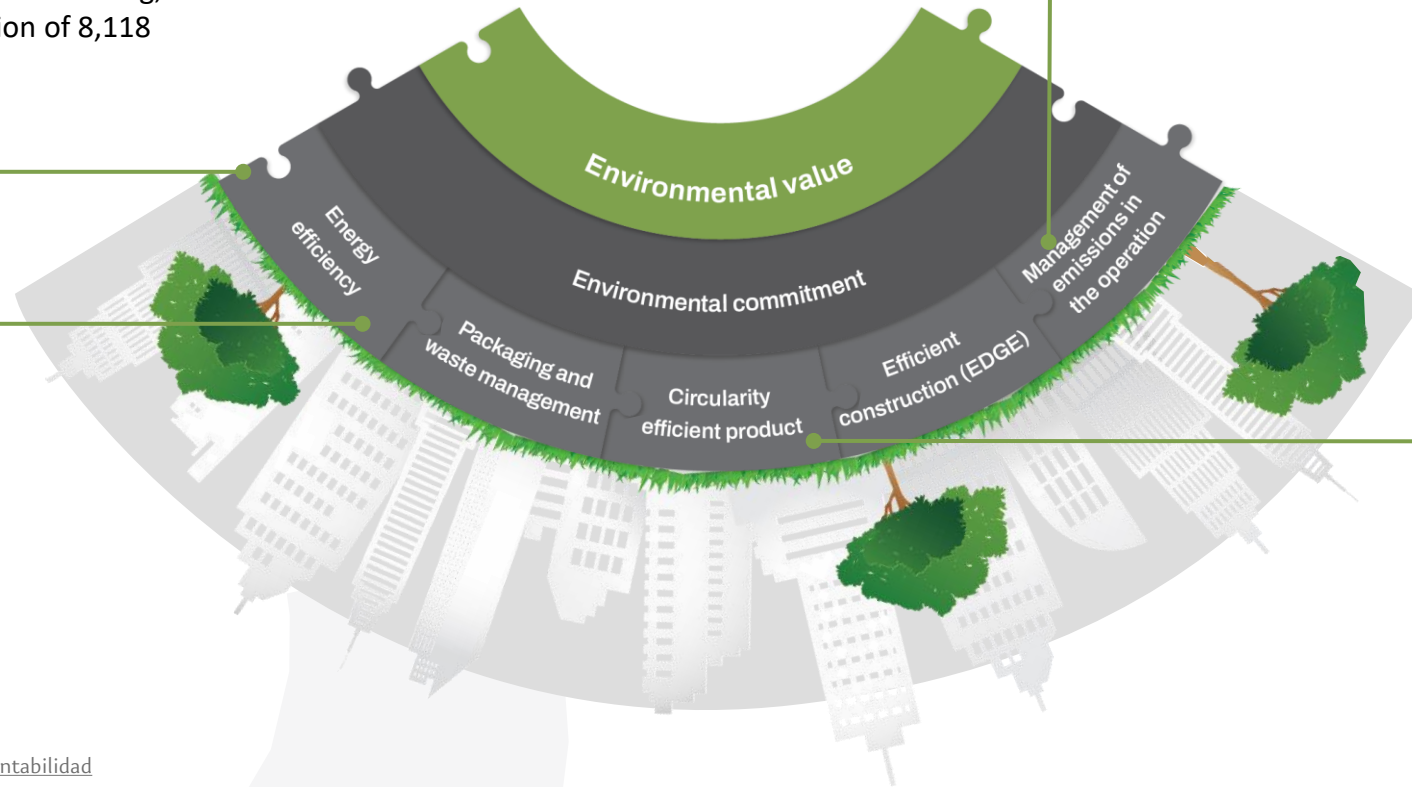
- Installation of LED lighting and high-efficiency air conditioning, avoiding the emission of 8,118 tCO₂.

The **2nd climate change risk analysis** was carried out with respect to Banco Azteca's commercial and corporate portfolio, using the nomenclature developed by the Task Force on Climate-related Financial Disclosures (TCFD), of which Banco Azteca is a signatory.

The Italika corporate building has **LEED certification** (Leadership in Energy and Environmental Design), a green building rating that measures the efficient use of energy, water, materials and waste management.

We begin the **scope 3 emissions analysis** with the company's Top 10 suppliers to develop an emissions measurement and mitigation plan.

30% of the energy consumed by Grupo Elektra comes from **renewable sources**.



Social

Of the total collaborators:

- 42% are women
- 58% are men

We have a **Gender Unit** to prevent and address workplace violence motivated by gender and sexual harassment.

Since 2019, we have offered **12,895 scholarships and 4,280 young people have been trained** in the Youth Building the Future program. We currently have 240 interns and 171 tutors (Grupo Elektra collaborators)

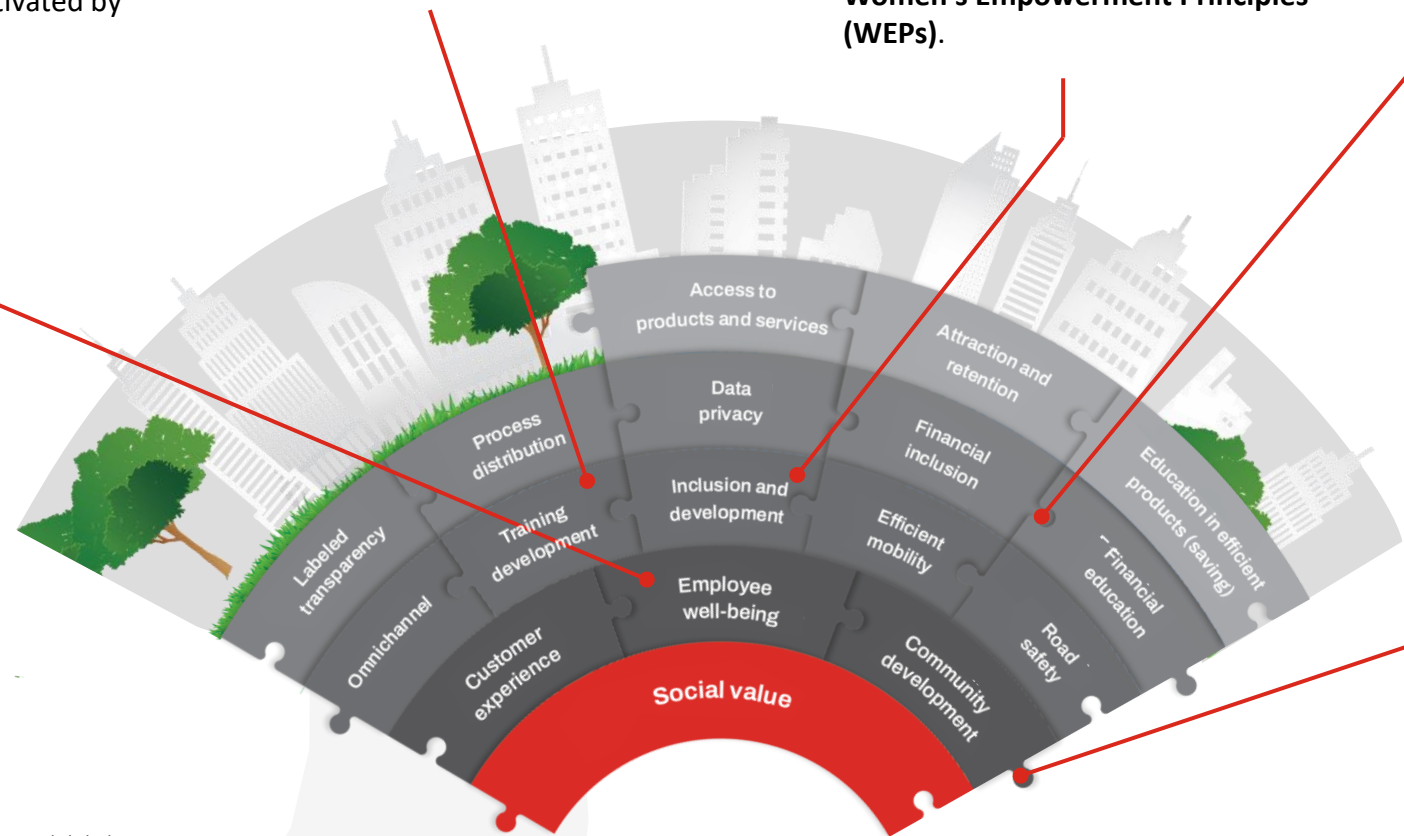
Active participation with the United Nations Global Compact, integrating the 10 Principles, as well as the Sustainable Development Goals in the operation.

We are signatories to the **UN Women Women's Empowerment Principles (WEPS)**.

We increased total investment in financial education initiatives by 8.2% in our “Learn and Grow” program regarding the previous year with which we benefited +350 thousand people. (platform for carrying out virtual events, which impacted more than 66 million children, young people, women, entrepreneurs, businessmen, employees, clients and users of financial services).

Socially Responsible Companies 2022:

- Italika, for the 9th consecutive year.
- Banco Azteca and Tiendas Elektra for the 7th consecutive year.



Governance

The Integrity Committee was formed to support the General Director in compliance with the Code of Ethics and Conduct, and the Ethics Program. Integrity and Compliance to detect, prevent and treat any risk of corruption.

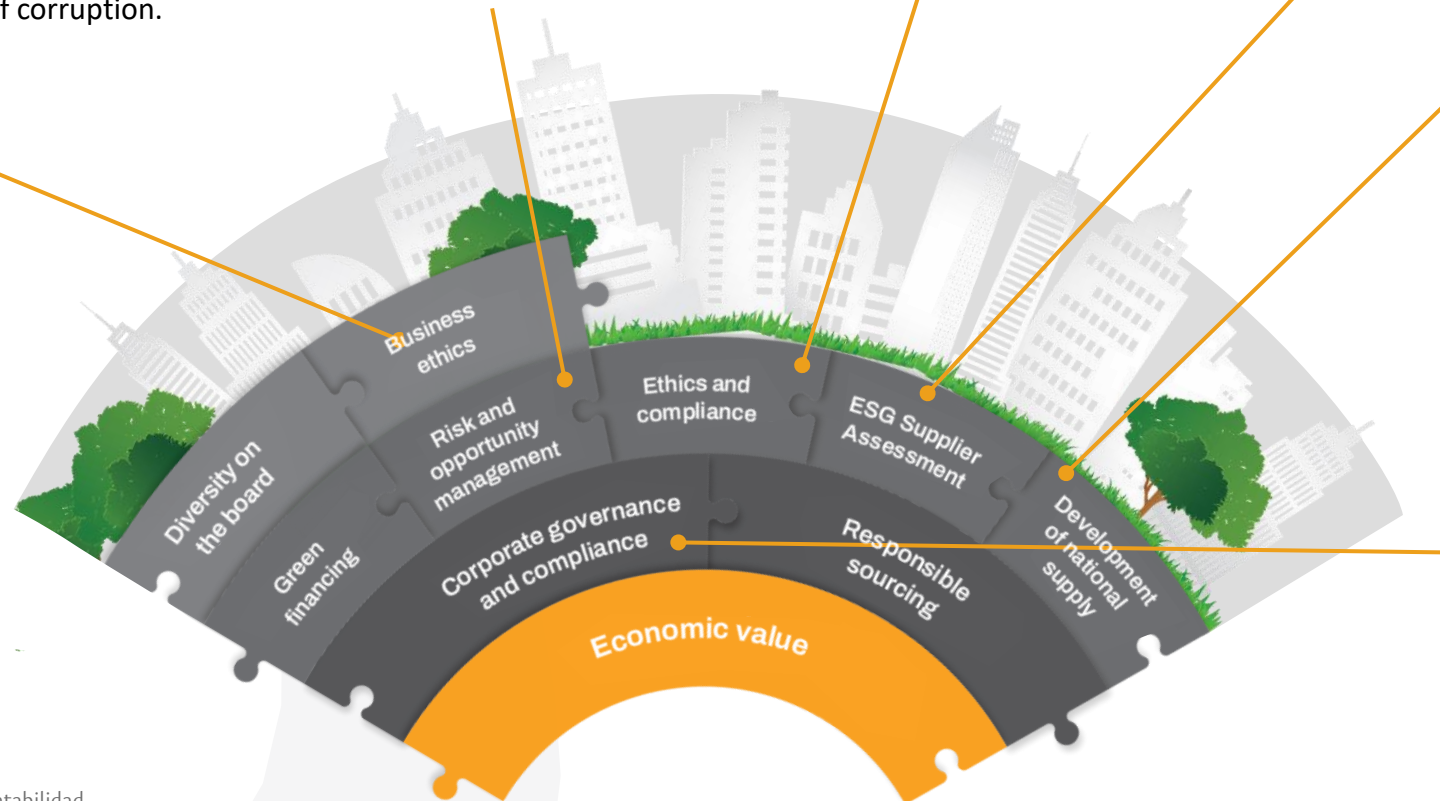
Banco Azteca has the **Comprehensive Risk Management Unit (UAIR)**, which is key for the identification, measurement, surveillance and control of risks to which the Bank is exposed.

Digital mailbox to receive anonymous complaints, which are analyzed according to the attention protocols depending on the type of incident (Audit, Gender Unit, Special Investigations, Human Resources, etc.).

During 2022 we provide +130 thousand hours of training on the **Code of Ethics** and related matters.

69,559 hours of training were invested on the **Integrity, Ethics and Compliance Program (PEIC)**.

In 2022, **four new independent board members** were appointed, including **two women** who add inclusion and skills that strengthen the board's decision-making.



Banco Azteca ranks 6th place, in the ranking **“Financial Institutions with the best corporate reputation in Mexico”** according to the Business Monitor of Corporate Reputation (MERCOR).

Commitment to Sustainability

EDGE certification (*Excellence in Design for Greater Efficiencies*) is a sustainable construction certification system that focuses on making buildings more efficient. Requires a **minimum 20% reduction in the use of energy, water and embodied carbon in materials**, compared to a local standard building.

Linked to Grupo Elektra's sustainability strategy to reduce GHG (Greenhouse Gas) emissions from its operations, considering the scale and coverage of Banco Azteca and Tiendas Elektra branches in Mexico, we have committed to certify 205 stores for 2029, equivalent to 16.8% of Grupo Elektra's total stores at the end of 2022.

In Mexico, there are 45 projects with EDGE certification, which represent approximately 869 thousand m² certified. Grupo Elektra, through this initiative, will add approximately 307 thousand m² of green buildings in Mexico, equivalent to 35% of the total currently certified area.

Alignment with the Sustainable Development Goals (SDGs)



SDG 7. Affordable and non-polluting energy

7.3 By 2030, double the global rate of energy efficiency improvement.

SDG Progress (2023): Fair progress, but acceleration is needed to reach the goal.



SDG 9. Industry innovation and infrastructure

9.4 Before 2030, improve infrastructure and modernize industries to make them sustainable, with greater efficiency in the use of resources and more adoption of clean technologies and industrial processes that do not harm the environment.

SDG Progress (2023): Fair progress, but acceleration is needed to reach the goal.

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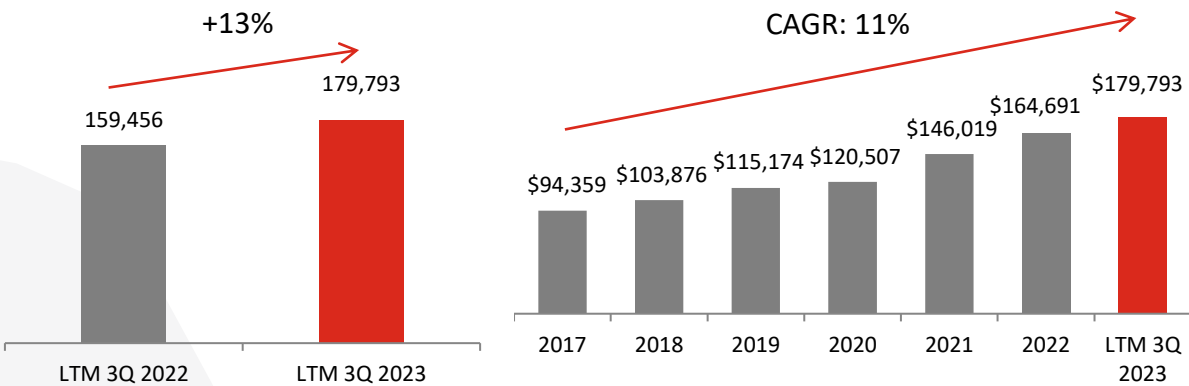
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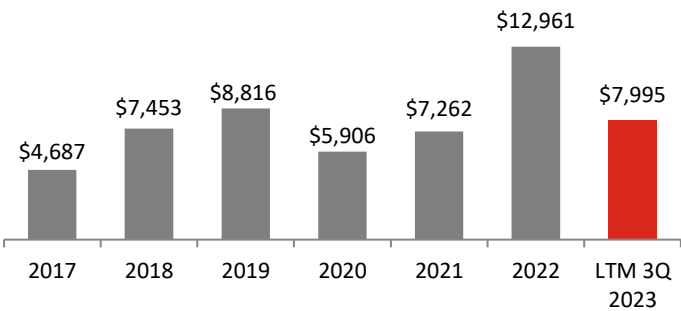
Consolidated Financial Overview

Ps. Millions

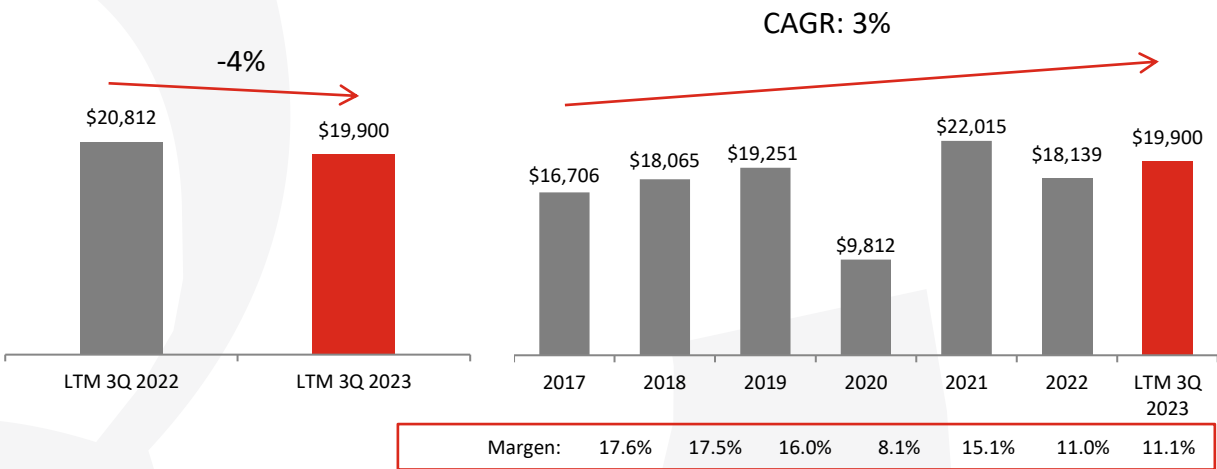
Consolidated Revenue



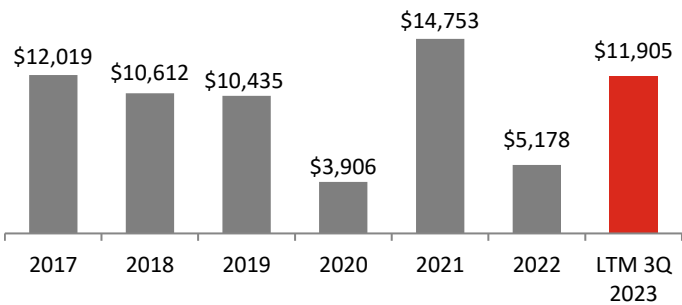
CAPEX



Consolidated EBITDA



Cash Flow⁽¹⁾

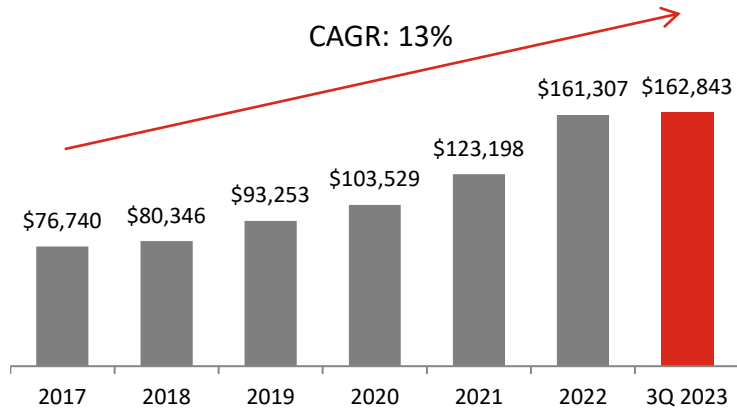


(1) Cash Flow = EBITDA – CAPEX

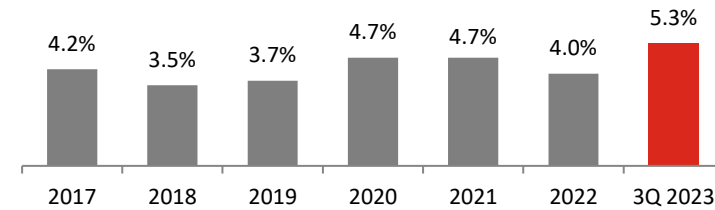
Banco Azteca Highlights

Ps. Millions

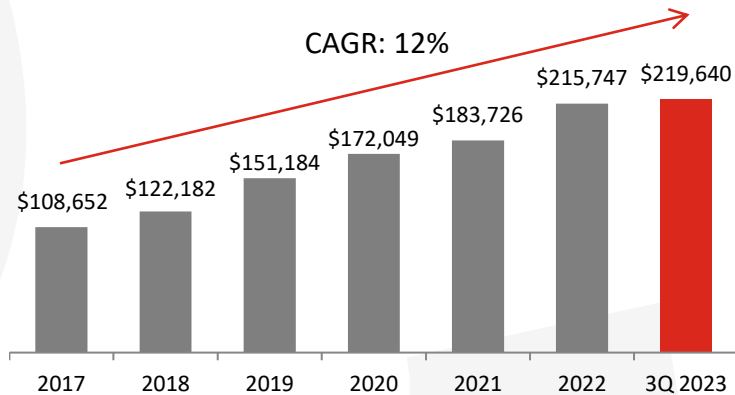
Gross Loan Portfolio



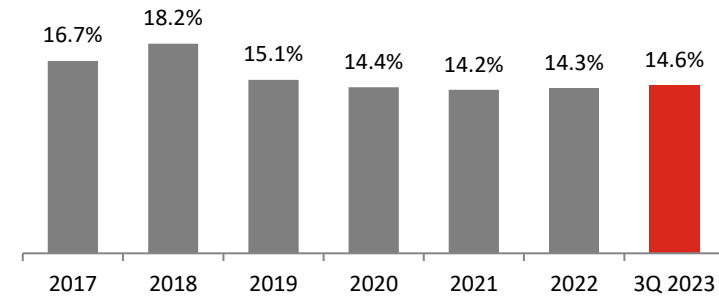
Delinquency Rate



Demand Deposits



Capitalization Index



Deposits to Gross Loan Portfolio: 1.4x 1.5x 1.6x 1.7x 1.5x 1.3x 1.3x

Consolidated Debt as of September 30, 2023

	Description	USD\$ mm	MXN\$ mm	Interest rate	Signing date	Maturity date
<u>Commercial business</u>						
	Cebures Elektra 00222	-	2,499	TIIE + 1.25%	09-dic-22	08-dic-23
	Cebures Elektra 22-5	-	1,500	TIIE + 1.30%	25-oct-22	13-feb-24
	Cebures Elektra 00123	-	1,500	TIIE + 1.10%	07-jun-23	08-may-24
	Cebures Elektra 22		2,085	TIIE + 1.79%	03-mar-22	27-mar-25
	Cebures Elektra 22-3	-	525	TIIE + 1.85%	21-jul-22	09-oct-25
	Cebures Elektra 23	-	500	TIIE + 1.60%	30-mar-23	09-oct-25
(1)	Cebures Elektra 21U	-	3,538	4.53% Real	13-abr-21	07-abr-26
	Banco Multiva	-	1,448	TIIE + 2.75%	21-jul-17	22-jun-26
	Cebures Elektra 20	-	2,500	9.35%	13-may-20	05-may-27
(1)	Bancomext	-	767	TIIE + 2.50%	21-jul-17	21-jul-27
	Cebures Elektra 22-2	-	3,004	10.55%	03-mar-22	26-ago-27
(2)	Senior Notes (USD)	442	7,791	4.875% USD	20-ene-21	15-ene-28
	Cebures Elektra 22-4	-	3,350	11.97%	21-jul-22	13-jul-28
	Cebures Elektra 22U	-	4,177	6.24% Real	03-mar-22	24-ago-28
	Cebures Elektra 22-2U	-	1,171	6.98% Real	21-jul-22	12-jul-29
Subtotal		442	36,354			
<u>Financial business</u>						
	BAC Honduras	1	18	BCH + 3.44%	17-mar-23	20-mar-24
Subtotal		1	18			
Total		443	36,372			

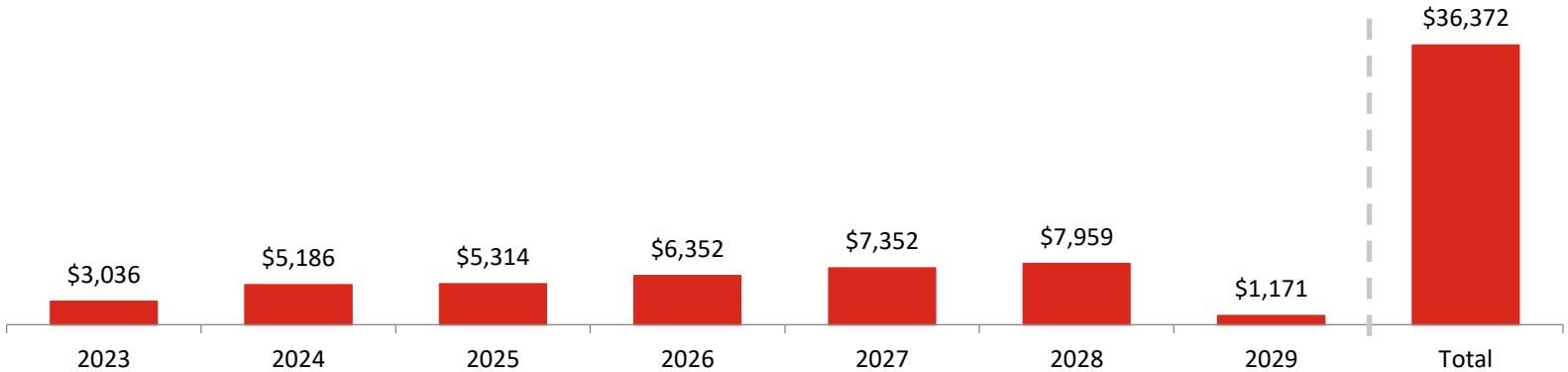
1) Hedged with interest rate.

2) Balance of Senior Notes, net of issuance expenses.

Consolidated Debt as of September 30, 2023

Annual Amortization Schedule

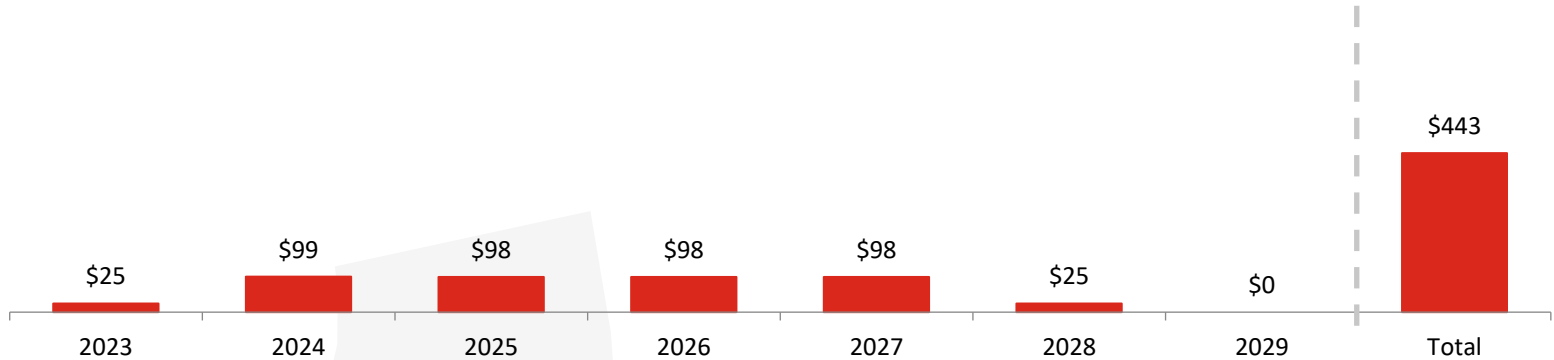
Ps. mm



Annual Amortization Schedule

US\$ mm

(included in the graph above)





grupo elektra